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Edgerton, John Emmett

Annual address of
John E. Edgerton

[New York, N.Y.]

[1928]

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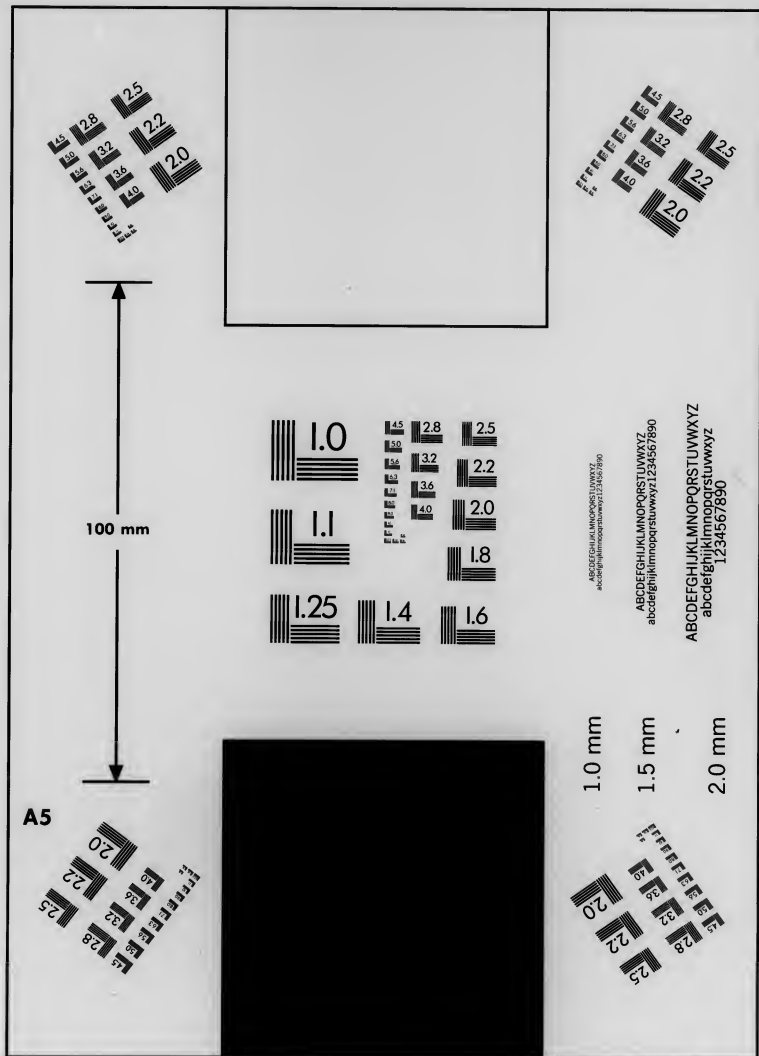
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Through the President's Office

308
Z
Box 232

HIGHLIGHTS

IN

AN ADDRESS

BY

Box 232 JOHN E. EDGERTON

President, National Association of Manufacturers

and

Chairman, National Industrial Council

at the

*Thirty-Third Annual Meeting of the National Association of
Manufacturers and the Twenty-Second Semi-Annual Confer-
ence of the National Industrial Council Advisory
Committee, New York City, October 24th, 1928*



ON THE AGE IN WHICH WE LIVE

"... We are moving under the cumulative momentum of all the ages through which civilization has reeled. ..." See page 2.

ON ECONOMIC PROGRESS AND MATERIAL PROSPERITY

"... as a national unit America has attained the most advanced economic position ever reached by any people. ..." See page 2.

ON OUR HEREDITARY RIGHTS AND OBLIGATIONS

"Our industrial and economic structures have been built through the one hundred and forty years of our national existence upon the moral and political foundations laid by the clean and capable hands of our fathers." See page 3.

ON NATIONAL COMPROMISE AND CONCESSION

"... In the matter of the preservation of these ideals and standards by which our progenitors undertook to found a nation of eternal character, we have become a nation of compromisers and concessionists." See page 3.

WHAT PRICE TOLERANCE AND LIBERALISM?

"In the name of tolerance and liberalism we have permitted until within very recent years, the almost unrestricted invasion of our national household by foreign hordes. ..." See page 3.

TRIBUTE TO AMERICANIZED FOREIGNERS

"It is to be gratefully remembered ... that ... our history has been illuminated and embellished by such illustrious names ... as Steinmetz, Straus, Bok, Pupin, or those hundreds of others. ..." See page 4.

(SEE NEXT PAGE)

ORGANIZED CRIME AND UNASSIMILATED ALIENS

"... I ask you to call the roll of the armies of gunmen in our cities, the worst criminals in our jails and penitentiaries, the anarchists, communists, foreign-language newspapers, and other lists of disturbers containing unpronounceable or exchanged names." See page 4.

PRODUCTION AND DISTRIBUTION OUT OF BALANCE

"... the most ominous problems which I see are those which appear to have resulted from the general loss of balance between production and distribution." See page 5.

ON OVER-PRODUCTION AND GOVERNMENT REGULATION AND SUBSIDY

"... the larger part of the mammoth volume of proposals for legislative correction of economic disorders proceeds from the embarrassments imposed and the opportunities furnished by the disproportionate expansions of our productive and consumptive capacities." See page 8.

PREDICTATORY OF NEW DELUGES OF LEGISLATIVE PROPOSALS

"The prevailing signs in both the political and economic skies indicate more governmental regulation and new deluges of legislative proposals to cure ills that should not exist." See page 8.

IN WHICH THE PROBLEM "TOO MANY ASSOCIATIONS" IS DISCUSSED

"If it be contended that there are already too many organizations which manufacturers are called upon to support, I will admit that it is true, but that this excess of organization supply over demand is due more to the stupidity of manufacturers themselves than to anything else. . . . Those who give easily uninformed support are seldom generous to worthy propositions. . . ." See pages 9 and 12.

WHICH TO SUPPORT?

"... there is a minimum of four organizations of which every manufacturing concern should be a member before he has the ethical right to even consider any others in existence or in contemplation. . . ." See page 12.

ON THE VALUE OF COMMON SENSE

"Neither science nor philosophy has yet provided a substitute for common sense as the most reliable cure for any inorganic trouble. . . ." See page 13.

A PLEA ACCEPTANCE OF SPIRITUAL GUIDANCE

"America has been traveling much faster economically than morally and spiritually . . . it must inevitably fall by its own top-heaviness." See page 14.

?? QUESTION ??

"What does it profit a nation if it gain the whole world and lose its own soul? Every accountable citizen has the continuing obligation of a definite contribution to the answer." See page 15.

ANNUAL ADDRESS

OF

JOHN E. EDGERTON

Delivered at Annual Dinner held Jointly by the
National Association of Manufacturers and the
National Industrial Council

Mr. Toastmaster, Ladies and Gentlemen:



THE air is sky full of the voices of Presidents, would-be Presidents, and seekers after presidential favor. To accommodate the news of a crime no more shocking than this assault upon your indulgence, I doubt that there is a wave-length left unused, or an inch of space available in the papers outside of the birth column. Up until this threatening moment never has any president of anything gone on the market with an annual address when the natural demand for such product was so boisterously mute. It appears, therefore, that about the only way now that such a commodity can be disposed of at all is to slip it into a banquet program immediately following the coffee course and just preceding the entertainment. You will observe that the familiar but carelessly regarded law of demand and supply is not confined in its unerring and inexorable operations to the exclusive realm of economics, nor does the problem of over-production, under-consumption, or uneven distribution involve only the tangible things produced by hands and machines. To the extent that distinctive products of the human brain and soul have even the semblance of an economic value, they too are similarly responsive to all the laws touching production and distribution. So if my remarks on this occasion have the virtue only of adding to the excess of supply over demand, I trust that the food which you have consumed with such convincing relish, and the values which you shall get after I have finished, will constitute a dividend of satisfaction upon your evening's investment.

Since last we met under these auspices, ladies and gentlemen, we have traversed at dizzy speed another year of mortal life. During that vanished period of time countless new records have been made in almost every field of invested human interest, and new

Ms. A. 9. 2. 7. 1929

problems, which always accompany progress, have multiplied faster than old ones have been solved.

We are moving so rapidly that we can scarcely adjust ourselves to the conditions of one day before there comes into view the necessity for readjustment to those of another. We have become so accustomed to the ever increasing wonders of human triumph over the resistance of nature that we have ceased to marvel at anything except a blush upon a maiden's cheek. We are moving under the cumulative momentum of all the ages through which civilization has reeled, and have attained a velocity of material accomplishment which seems to threaten the higher purposes of our earthly existence.

I am tempted at this point by the genius of custom to recite to you the outstanding events which have marked with impressive distinction the past year, and to regale you with supporting statistics, which are the most commonly used stuffing for poor addresses. But I recall that every hour the political orators with the aid of the radio and the printing presses of the nation, are making available to you these unpalatable non-essentials of life. Exercising, therefore, the presidential prerogative, I "choose" to call your attention only to a few familiar facts requiring no statistics, and to essay an interpretation of their significance.

No statement could be more soporifically commonplace, or require less elaboration, than that as a national unit America has attained the most advanced economic position ever before reached by any people. For the last few years tens of thousands of enterprising Americans have been making a good living by their skillful expansions of this beguiling fact into hours of entertainment highly profitable to the producers of such popular commodity. So nobody is now disputing or trying to explain away the fact of our general prosperity, except, perhaps, a few ambitious Democrats and disgruntled Republicans.

But let me say, my friends, with all the fervor of a fully matured conviction, that the fact of our superior economic condition does not, as is apparently assumed by many, imply fewer problems, less responsibility, or absence of menace to the securities of our material future.

On the contrary, and in spite of the daily prognostications of business and professional optimists who have positions to hold or stocks to protect, America has never been confronted by so many grave problems and dangers as at this feverish moment. The chief of these undoubtedly lie in the moral and political realms of our

national life, and the responsibility for their solution is the common heritage of all citizens. I shall not discuss these particular problems at length, but I do want to emphasize their intimate relationship to those which are native to industry and business.

Our industrial and economic structures have been built through the one hundred and forty years of our national existence upon the moral and political foundations laid by the clean and capable hands of our fathers. We have paid all too little attention to these foundations as we have proceeded with the building of our material temples. We have been prone to leave their guardianship and conservation to the professionally moral and political forces, and to excuse ourselves from the tasks of common defense except in the emergencies of threatened invasion of our own domains of effort. It is not surprising, therefore, that the moral and spiritual ideals fashioned and set up by our forefathers have been crumbling under the increasing pressures of inflowing alien influences, and that under the same pressures we have been receding from the political standards and philosophies of the creators of our unprecedented type of political architecture.

In the matter of the preservation of these ideals and standards by which our progenitors undertook to found a nation of eternal character, we have become a nation of compromisers and concessionists. In the name of tolerance and liberalism we have permitted until within very recent years, the almost unrestricted invasion of our national household by foreign hordes, many of whom have been bringing and keeping their inferior moral and political conceptions, ideals and habits. By the millions they have come to our hospitable shores through the last half century, and while many of the sturdier elements have made valuable contributions to our progress, an infinitely larger number have been a continuous national liability.

Drunk upon the wine of a freedom which they had never before tasted, they have attempted, with menacing success, to teach us new and strange lessons in tolerance, liberalism and personal liberty. As fast as they have complained at any of our moral or political conceptions and practices, we have in the pride of our good sportsmanship compromised with them.

They have not liked the way that we once observed the Sabbath of our fathers, and in our larger cities it has been almost abandoned to the uncultured and uncontrolled uses of irreverence.

They did not like to see the Holy Bible in our public schools.

and as good liberals we gave it up to placate their dissatisfaction. They did not admire our Constitution and laws, and we have been doing our level best for many years to adjust them to their liking.

The courts of our land have been irksome to them, and have interfered too much with their conception of personal liberty and freedom, and there are many Americans now who want to compromise in this vital matter.

It is not to be inferred that I am charging the foreign elements of our population with all the crimes that have been committed against our institutions, nor that I have discredited the values which the best of them have added to our national greatness. On the contrary, it is to be gratefully remembered by every good American that almost every page of our history has been illuminated and embellished by some such illustrious name of foreign suggestion as Steinmetz, Straus, Bok, Pupin, or those of hundreds of others. I honor good people who come from other countries, and are willing to exchange for the privileges and opportunities of this one their attachment to the conflicting ideals and standards of the countries which they left.

I would place no uncharitable restriction upon the admission of such of these as are capable of good citizenship, and are morally and politically assimilable. If what I have suggested in this connection is shocking or requires proof, I ask you to call the roll of the armies of gunmen in our cities, the worst criminals in our jails and penitentiaries, the anarchists, communists, foreign-language newspapers, and other lists of disturbers containing unpronounceable or exchanged names. Then go back to the time when the foreign tides began to sweep into our country and measure the distance that we have retreated in those years from the moral and political standards which we then commonly recognized and accepted.

When one visits any city in England he knows immediately that he is in England. When he goes to France he has no difficulty in recognizing that he is in France. When he moves into Germany or Italy every sense that he has tells him what country he is in. But when he lands at any American port he seems to be everywhere and he has to go to some information bureau to discover his whereabouts. There would be no objection to this situation, my friends, if all in our country who are American in blood, and who know and understand its institutions would stand together and assume the leadership to which their inheritance entitles them,

and would see to it that we make no trades or concessions which involve the surrender of any part of our moral and political ideals.

Unless we do preserve those bases of our economic structure against the corroding influences which have already weakened them, I do not see how we may expect to continue indefinitely our industrial and economic progress.

Because manufacturers in particular, and the real producers of our country in general are for the most part native, loyal, God-fearing Americans, I am daring to bring to your attention at this reckless hour these matters which seem to me to be of primary importance. By no intemperate word or incautious act would I encourage snobbishness or any intolerance of such invidious nature as would deny to any citizen all of the rights and opportunities promised by our Constitution and written indelibly into every truly American institution. But I am one of those who believe that these rights and opportunities and all of the liberties established by our forefathers are safest while kept under the guardianship and control of the most competent of their descendants. We can serve best the ends of civilization and all the peoples of the earth by retaining at all necessary cost the uncontaminated identity of that nationally distinctive political, social, moral and spiritual character by the power of which we have become the greatest nation on earth. As fast as we fall under the spell of any seductive idea or catch-word coined and put into circulation by alien minds and at the behest of expediency compromise the principles underlying our tower of national greatness, it will surely crumble as did others which have preceded it. It should, therefore, be a matter of first concern to every worthy citizen to so conduct his business and order his individual conduct as to conserve these certain essentials to assured progress.

Turning toward the economic horizon, the most ominous problems which I see are those which appear to have resulted from the general loss of balance between production and distribution. Of practically all commodities which America can produce, it is producing regularly from fifteen to thirty per cent more than it has the capacity and power to consume and dispose of profitably in other available markets. This general excess of supply over demand is manifesting its obvious effects in multitudinous ways. Many of those industries which are not fortified by adequate surpluses previously accumulated, particularly the textile, have been and are ceasing operations or curtailing them to an unprofitable

point. This accounts for most of the unemployment which exists. It is safe to say that a general average of forty per cent of all the factories that are operating at all to-day are doing so at a loss. Of course, we have to go back a few years for the basic reason.

To meet the emergencies and economic opportunities of the World War, American industry expanded more during the five year period from 1914 to 1919 than it did during the preceding sixty-five years. When the inflated consumptions of that catastrophic orgy had ceased, leaving the international channels of trade full of the obstructive debris of the greatest conflict in history, our productive capacity was oppressively far ahead of the absorbing power of available markets.

A competition ensued among domestic producers which has been as destructive as it was inevitable. As European industry began to be rehabilitated and strengthened, and largely by American money, foreign competition by reason of lower costs and living standards began adding so increasingly to the sum of our embarrassment that even the Tariff Act of 1922 was able only to check the growing threat to our producing industries. These extraordinary conditions have been constantly imposing new and pressing necessities for the reduction of producing and distributing costs. The avenues to such reduction offering the least visible resistance seemed to be through volume production and reduced overhead expense. There have resulted increased capitalizations and multiplying consolidations and combinations of manufacturing plants, stores, banks, railroads, and other units of production and distribution accompanied by accelerated applications of scientific methods, the raising of standards of individual and mass efficiency, and the mechanization of industrial processes.

The immediate result of these movements is, of course, to eliminate increasing numbers of the relatively inefficient and otherwise add to the ranks of the unemployed. As these ranks grow, the nation's consumptive power decreases and new impetuses are daily given to the pressures for lower costs and prices; for people cannot buy unless they have jobs. Thus in industry, commerce and finance the rapidly developing tendency is towards the building of larger units of corporate power, the gradual extermination of the independent operator, and the multiplication of the victims of the law of the survival of the fittest. The swords of competition becoming more and more sharpened are accumulating in the hands of giants, and power over the processes of produc-

tion, distribution, transportation and communication is concentrating in fewer and fewer hands.

It is argued, and truly so, that the base of industrial ownership is being constantly broadened as increasing numbers purchase industrial securities. But that fact implies only a theoretical control by the many because the stocks owned by the masses are either out of the minority portion or so distributed that control is left in the hands of relatively small groups. These are the tendencies, ladies and gentlemen, which are clear to every student of the times and every thoughtful observer.

The United States of America constitute a heterogeneous family of approximately one hundred and twenty millions of souls. Notwithstanding all immigration restrictions now existing or that may be hereafter imposed, and all of the depredations of disease and other destructive forces, this family is and will continue increasing daily in size. As it thus multiplies in consuming units, it may be reasonably expected to be developing new appetites, desires and requirements for happy living. While, however, its capacity for consumption is expanding proportionately to this extensive and intensive development, its productive capacity through processes already mentioned will be undoubtedly growing far more rapidly. Unless, therefore, through the well paid employment of its people the nation's purchasing power is kept relatively equal to its expanding capacity for consumption, we shall inevitably have an increasingly embarrassing excess of supply over demand. The profitable disposal of this excess in already cultivated foreign markets will naturally become more difficult as those nations become stronger in their competitive power.

Our transcendent problem, therefore, is and will probably continue for some time to be our surplus productions in factories as well as on farms. When our political experts have taken legislative care of the agricultural surpluses, they can find a sufficiency of opportunity in the manufacturing industry to engage their talents and energies for several years: There is no specific remedy which can be quickly applied with promise of permanent relief. America is going to maintain and raise higher its general level of existing prosperity only by keeping the masses of its people happily employed. That is a continuing problem of varying acuteness.

Now, as these tendencies develop momentum and the pressures of economic law descend oppressively upon larger numbers, the

mass demand for legislative remedy will surely increase in volume. This contingency and much destructive conflict could of course be avoided by voluntary curtailments of production in those trades most embarrassed by the surpluses. But there are probably too many swine in human flesh and too much short-sighted disregard among manufacturers as among farmers for their competitors' rights to expect voluntary relinquishment of temporary advantage for permanent gain or ethical considerations. This is the condition which furnishes opportunity and sometimes necessity for governmental interference with industry and business. It constitutes the real or imaginary basis upon which is made the increasing demand by labor and its social allies for a shorter day and week. In fact, the larger part of the mammoth volume of proposals for legislative correction of economic disorders proceeds from the embarrassments imposed and the opportunities furnished by the disproportionate expansions of our productive and consumptive capacities. We all know that the tendencies of government are just what the tendencies of its citizens are. Its normal appetite is for more power and larger opportunities for material gain as theirs is. But however odious governmental interference with industry and business is, it seldom if ever dares to indulge its natural disposition except either as necessity requires for the preservation of equal opportunity to all its citizens or as favorable opportunities appear in the conflicts and divisions among those to whom it is responsible. The prevailing signs, therefore, in both the political and economic skies indicate more governmental regulation and new deluges of legislative proposals to cure ills that should not exist. The field of battle between conflicting conceptions, interpretations, ideals and principles has shifted for the most part from community centers of discussion, industrial plants, and other places of employment to the legislative halls of the nation, of the states, and of the cities. It appears now that the issues of the future between classes, organizations, and groups having common causes or theories will be fought out more and more at the various seats of government. As in the fields of industry and business, the best organized and the most powerful will have the advantage.

But, my friends, most of the problems to which I have referred could be solved by private corrections of the conditions which breed them. The first essential to their solution is the consciousness of their existence, and then an intelligent understanding of both their causes and effects. Such understanding and remedial

actions proceeding from it are now possible only through proper organization.

Not only does organization supply an effectual medium for the constructive endeavors suggested by commonly understood matters of group interest, but it constitutes a necessary defensive force against legislative, social, or other invasions of common territory. There is not the slightest prospect of a reduced necessity for maintaining impregnable lines of defense against such intrusions of ambitious political authority, and never did intelligently organized groups of manufacturers have as many and rich opportunities for wise and helpful service to themselves and their country as they now have. If manufacturers as manufacturers irrespective of trade, size and territory don't have a distinctive group interest of fundamental importance to their business, there is no class, industrial, business or professional, which is marked by such an identity of a common material concern.

If it be contended that there are already too many organizations which manufacturers are called upon to support I will admit that it is true, but that this excess of organization supply over demand is due more to the stupidity of manufacturers themselves than to anything else. Their common ignorance touching things that lie beyond the circumference of their daily tasks has made them an easy prey for social and industrial pirates, exploiters, narrow-gauged theorists, and other vendors of specifics for easily discoverable new economic diseases. There are relatively more humbugs in the organization business than in any other field of activity. As a matter of fact, there are more "bugs" of every sort, and their favorite dish is manufacturers.

According to the statistics of the Department of Commerce, there are more than ten thousand organizations in the general field of industry to membership in which manufacturers are eligible and for the support of which they are solicited. So confused, therefore, have manufacturers become that few of them know what they are supporting and do not even try to discriminate. As long as that part of their surplus lasts which they don't feel that they have the physical strength to protect against expert solicitation, their habit is to divide it among the first who appear without reference to established merit.

It is indeed strange, my friends, that in a matter so vitally important as the causes and organizations to which men subscribe and thereby endorse, so comparatively few manufacturers exercise appreciably discriminating intelligence, while in most other

important respects they proceed with careful understanding. Although many of them are expending thousands, and in some cases tens of thousands of dollars annually for organization support, they have no established policy by which to determine the merits of such expenditures and apportion them accordingly. Usually the aggregate amount is determined by profits and surplus, even though the most essential and justifiable portion of it can legitimately be regarded as a necessary element in the cost of production and should be so included in any manufacturer's well-considered budget.

If under the shock of this statement someone should inquire as to the basis for an intelligent determination of the gradations of essentiality and merit, I would serenely answer as follows: The Board of Directors of every manufacturing corporation and the chief authority in every individually owned or partnership plant should specifically designate those distinctly industrial and trade organizations which they regard as essential to the proper protection and conservation of their business and worthy of their support. This action, of course, pre-supposes that such authorities will have informed themselves thoroughly as to the purposes, plans, methods, management and financial requirements of the organizations which are presumably eligible to consideration.

Those which are thus fairly demonstrated to be worthily performing industrial services of primary importance to that business should be designated for inclusion in the budget. Then other organizations seeking support on the basis of helpful services may be referred to an officer or committee appointed by the Board of Directors of the corporation to appraise their worthiness and decide the amount of the contribution within the limits of an aggregate appropriation for such purposes.

The clear line of demarkation suggested by this procedure is that which exists between expense that may be appropriately regarded as belonging to the inevitable cost of doing business, and those expenditures out of profit or surplus which are merely contributions to good causes.

Now, it is my deep conviction that this problem of organization support is one of vital importance and interest to every manufacturer possessing vision and conscience, and that it is extremely confusing to those who have not had the time or disposition to think carefully through it. I am, therefore, bold enough to offer these further suggestions out of the reservoir of my own experience with and studies of the questions constituting

the problem. If at any point my reasoning is faulty or unjust in either its premises or conclusions, I would be grateful to anybody giving me by citation an opportunity to make necessary correction. Certainly, it is a clear duty as well as a rational necessity for a manufacturer to support the outstanding organization which represents his particular trade interest and devotes itself to the problems native to that trade area. In addition to this, his fundamental interest is exposed and constantly threatened at three other vital points, namely; in his own immediate community where his relationships with other manufacturers and with local government are closest; at the state capitol from where state government directs its energies and imposes its burdens; and at the capitol of the nation where the destinies of all industry are determined. Corresponding to these units of government with which manufacturers in general have definite group relations of primary importance, they should and must have organizations to take care of these geographical interests and the multiplying questions of common concern within these areas. Taxes are always an increasing element in the cost of production, and at each of the three points mentioned they are imposed. Yet taxes are only one of the many vital questions which require and receive organized attention by those having a distinctively group interest. Hence, no enlightened manufacturer can excuse himself from the obligation or explain away the necessity of supporting his local association of manufacturers if there be one in his community, his state association of manufacturers, and his national association of manufacturers. If in any case these associations are not performing their highly essential functions as they should, it is probably because of inadequate support from those whose primary interests they are formed to serve. The proper place from which any qualified critic should correct the deficiencies or inefficiencies of any organization is on the inside of it where he belongs. If all of the premises are sound, the clear and inescapable conclusion is that there is a minimum of four organizations of which every manufacturing concern should be a member before he has the ethical right to even consider any others in existence or in contemplation. Since these four have distinct functions in their clearly defined fields and deal with fundamental conditions which determine the life or death of their member concerns, they should be supported without reference to good business or bad business, profit or surplus, and the expense charged to the cost of staying in business. If insurance against loss by fire, flood, tornado and accident be con-

sidered an overhead cost, then the only obtainable insurance against legislative flood, political conflagrations, and social tornadoes may with equal propriety be included.

It is no secret that in general legitimate and necessary organizations of manufacturers are suffering unduly from prevailing conditions at the very time when they are most needed by those who neglect them. One cause already cited is the contented ignorance of most manufacturers concerning organizations, which fact renders them lusciously susceptible to peddlers of quack remedies promising quick relief from specific ailments. I doubt that there is a manufacturer here to-night, or that should be here, who has not within the past year contributed substantially to at least one and probably a dozen or more such organizations performing no useful purpose except the maintenance of some enterprising organizers and managers. Those who give easily such uninformed support are seldom generous to worthy propositions. Then the other major cause of the trouble indicated is that when the giant corporations, often even more uninformed or disregardful of meritorious claim, swallow smaller ones, or when several small corporate units consolidate into a large one, the custom is to consolidate also into one or as few as possible all of the attached organization obligations. These things are happening with menacing frequency in these days of kaleidoscopic development when individuals and corporations are apparently striving to make themselves independent in their strength, forgetting that no business is stronger than the social structure upon which it rests nor the government which protects its very life. It must, therefore, be concluded from all of these premises that questions involving in vital ways any manufacturing concern's relations with other manufacturers through organization affiliation cannot with the largest degree of wisdom, propriety, or safety be left to the immature judgments of subordinates. They belong naturally and essentially among the major responsibilities of the directing head or heads of every concern. When they become generally so regarded and treated, the legitimate trade, local, state, and national associations of manufacturers, which have demonstrated through years of efficient service both their merit and their indispensability to our national industrial unity, will not longer lack the sustaining support which they deserve and need for their larger usefulness. Another wholesome result to be anticipated from such application of intelligence will be the elimination of that plaguing surplus of special organizations which have already reached the ominous proportions of a devastat-

ing epidemic operating under beguiling names and purposes and appealing to the credulities of complacently uninformed manufacturers. Neither science nor philosophy has yet provided a substitute for common sense as the most reliable cure for any inorganic trouble, and only to its virtue will the commonly recognized evil of too many associations finally yield.

Now, my friends, I have endeavored to present for your consideration three closely related groups of thoughts. The first one is that economic prosperity cannot be divorced from sound morals, social progress, and political stability; that due primarily to the operation of uncontrolled alien influences our national integrity is threatened at all of these points, and that both the obligation and the right of leadership in all corrective or forward movements involving interpretations of American ideals belong inseparably to those natives of our country having no divided allegiance or attachments and having in their very blood an appreciative understanding of our institutions. The second one is that our purely economic problems are due immediately to the unbalanced condition of production and distribution, and that the only alternative to the growing habit of government to interfere with industry and business is for industrialists as well as other business men to associate their minds in proper voluntary solutions of these problems. The third is that American manufacturers as a class need more organization and fewer organizations, and that this in itself is an outstanding problem calling for the seriously intelligent attention of all chief executives and directing forces in the industry.

It would have been, of course, much easier and more inspiring to talk to you about the glories of American history and especially those illuminated chapters which tell the thrilling story of our industrial achievements. But what would it have profited anybody or what else accomplished other than a further inflation of those vanities of spirit which already imperil our nation's advancement into those higher and more secure realms of purposeful living? It is as difficult as the task is uninviting to focus attention upon and arouse enthusiasm concerning the liabilities and deficits in the balance sheet of life, for these things suggest obligation, and obligation means sacrifice, and unselfish sacrifice is not a popular pastime. But even if we take a wholly material view of our situation to-day, it must be evident to any vision that can penetrate beyond the radius of immediate self-interest that America has been travelling much faster economically than morally and spiritually, and that unless more intelligently organized and directed attention

is given by the most competent and responsible elements of citizenship to the decaying foundations of our national structure, it must inevitably fall by its own top-heaviness. The transcendent need of America to-day is for an understanding as broad and deep spiritually as it is intellectually and for a keener sense of permanent values. These are things for which science cannot write formulas; architects, plans; nor engineers, blueprints. Politicians can not legislate them into existence nor efficiency experts persuade their operation. The needs must first be comprehended by the most capable and then patiently pursued by the will to conquer. No group in society has more at stake in all the problems with which civilization is concerned than that which embraces those engaged in productive enterprise. None are more capable of dealing with them or have greater responsibility in connection therewith. I could not and would not undertake to prescribe the specific plans or methods by which corrections and solutions are to be accomplished. I have hoped only by suggestion to arouse a genuine sense of the insecurities in our national situation, to excite the desire and will of those who can to apply themselves studiously to the clear tasks of common safety; and to emphasize the importance of proper organization on the part of manufacturers as a class to meet the particular obligations of leadership which inhere in their occupation. If I have done this appreciably, I have satisfied the ends of this effort. If I have not, then nothing has been gained except the satisfaction of trying, and nothing lost save a fragment of time which will be recaptured in eternity. If you carry nothing else away in your memory of this occasion, I wish you to carry the eternally living question bequeathed by history as a constant reminder to erring humanity, "What does it profit a nation if it gain the whole world and lose its own soul?" Every accountable citizen has the continuing obligation of a definite contribution to the answer.

**END OF
TITLE**